Employment in construction, energy and manufacturing decreases in the Edmonton region

August 5, 2016

Employment in the Edmonton region decreased by **12,200 jobs in July 2016.** Increased employment in financial services, business services and public sector could not make up for job losses in construction, energy and manufacturing. July's losses were concentrated in part-time positions while full time employment increased throughout the month. The Edmonton region saw average weekly earnings continue to move up resulting in an annual growth rate of 3.0%.

Annual employment growth in Edmonton was 0.7% in July, which is now closer to the national average of 0.5%. This is Edmonton's lowest annual employment growth since 2010. Alberta's employment fell by 2.2% in July 2016.

The number of individuals seeking work in the Edmonton Census Metropolitan Area (CMA) decreased. However, the unemployment rate increased to 7.7% in July 2016 up from 7.0% in June 2016 due to weaker employment numbers. The unemployment rate for Calgary in July 2016 was 8.6%.

Labour Force Survey Results – Edmonton Census Metropolitan Area

Three-month moving average – seasonally adjusted

	July 2015	June 2016	**July 2016**	June 2016 to July 2016	July 2015 to July 2016	June 2016 to July 2016	July 2015 to July 2016
	(000)	(000)	**(000)**	(000)	(000)	%	%
Population (15 years and older)	1,101.9	1,120.3	**1,121.9**	1.6	20	0.1	1.8
Labour force	800.3	830.4	**822.7**	-7.7	22.4	-0.9	2.8
Employment	754.7	771.9	**759.7**	-12.2	5	-1.6	0.7
Unemployment	45.6	58.4	**63**	4.6	17.4	7.9	38.2
Unemployment rate (%)	5.7	7.0	**7.7**	0.7	2	...	...
Participation rate (%)	72.6	74.1	**73.3**	-0.8	0.7	...	...
Employment rate (%)	68.5	68.9	**67.7**	-1.2	-0.8	...	...

Source: Statistics Canada

Similarly to Edmonton, employment in **Alberta** fell in July 2016. The net job loss for the Province was approximately 1,400 positions. However, unlike Edmonton, job losses were heavily biased toward full-time positions with a reduction of 10,600 positions that were partially offset by a gain of about 9,100 part-time jobs. Even though job losses were minimal, the number of individuals seeking work increased the unemployment rate from 7.9% in June 2016 to 8.6% in July 2016. This is the highest unemployment rate the Province has faced since 1994. It is important to note that Statistics Canada did not conduct a *Labour Force Survey* for the Wood Buffalo area for the months of May, June and July. This means the impact of the Fort-McMurray wild-fires are not reflected in the overall Alberta employment figures.

Employment levels declined by 31,000 at the national level, with significant loses in full-time employment. This was partially offset by gains in part-time jobs for the month of July pushing the unemployment rate to 6.9%. Job losses in **Canada** were experienced in the public administration sector, while health care and social assistance sectors saw job gains.

Significance

The job losses in the goods producing services side of Edmonton's economy demonstrate that the region is not immune to the impact of decreased oil prices. For the remainder of 2016, there is a significant risk of increased unemployment if oil prices do not improve.

The ongoing growth in the working-age population—up 1.8% from July 2015 to July 2016— and higher participation in the labour force highlight Edmonton's relatively positive job prospects when compared to the rest of Alberta. Growth in the number of job seekers has been an important factor in moderating wage increases by addressing labour and skill shortages that began to emerge in Edmonton prior to the downturn in energy prices. With Edmonton's unemployment rate now at 7.7% and job gains in British Columbia, net migration into the region has slowed down, especially when compared to the volumes seen over the past several years.

The solid year-over-year growth in the average weekly earnings in Edmonton—up 3.0% in the past year—bodes well for the housing and retail segments of the Edmonton economy. Higher incomes along with growing employment and modest inflation will provide support to consumer confidence and spending over the remainder of 2016.

Limitations

Since employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity; they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are useful predictors of future changes in incomes and consumer spending. Statistics Canada publishes a three-month moving average of all labour force values for the Edmonton region, an approach that sometimes results in the number of reported jobs lagging behind developments in the Edmonton region's economy.

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